

## Message Text

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PAGE 01 STATE 181717

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WARREN W. GLICK: ACTING EXECUTIVE VICE-PRES.

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FM SECSTATE WASHDC

TO AMEMBASSY CARACAS

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E.O. 11652: N/A

TAGS: APUB, VE

SUBJ: PRESS RELEASE ON EXIMBANK LOAN TO VENEZUELA

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE  
DIRECT LOAN OF \$4,919,400 TO CADAFE. RELEASE IS SCHEDULED FOR  
ANNOUNCEMENT HERE IN WASHINGTON, D.C., FOR A.M. PAPERS, WEDNESDAY,  
SEPTEMBER 19, 1973.

QUOTE

EXIMBANK HELPS FINANCE \$10.9 MILLION U.S. SALE OF GAS TURBINES TO  
VENEZUELA

TO HELP FINANCE A \$10,932,000 SALE OF TWO GAS TURBINES TO  
VENEZUELA, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF  
THE UNITED STATES HAS AUTHORIZED A DIRECT LOAN OF \$4,919,400 TO  
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PAGE 02 STATE 181717

FINANCE 45 PERCENT OF THE U.S. COSTS AND A FINANCIAL GUARANTEE

OF A LOAN OF \$4,919,400 FROM BANK OF TOKYO TRUST COMPANY OF NEW YORK, TO FINANCE ANOTHER 45 PERCENT OF THE U.S. COSTS, ACCORDING TO EXIMBANK'S CHAIRMAN HENRY KEARNS. THE BORROWER, C.A. DE ADMINISTRACION Y FOMENTO ELECTRICO (CADAFE) OF VENEZUELA, WILL MAKE CASH PAYMENT OF 10 PERCENT OF THE U.S. COSTS OR \$1,093,200.

THE GENERAL ELECTRIC COMPANY OF SCHENECTADY, NEW YORK, WILL PROVIDE THE TWO COMPLETE GAS TURBINES AND THE ROTOR FOR A THIRD TURBINE. TWO UNITS WILL BE AT LA CABRERA AND ONE UNIT AT MARIPOSA TO SUPPLY POWER IN THE CENTER OF THE COUNTRY AND INTERCONNECT WITH FACILITIES IN THE GUYANA REGION.

FOUNDED IN 1958, CADAFE IS OWNED BY THE VENEZUELAN GOVERNMENT THROUGH THE DEVELOPMENT AGENCY, CORPORACION VENEZOLANA DE FOMENTO. CADAFE GENERATES AND DISTRIBUTES ELECTRICAL POWER ON A NATIONWIDE BASIS EITHER DIRECTLY OR BY SALE OF BULK POWER TO MUNICIPAL SYSTEMS.

THE LOANS ARE TO BE REPAID IN 16 SEMIANNUAL INSTALLMENTS WITH EXIMBANK'S DIRECT LOAN OF \$4,919,400 TO BE REPAID OUT OF THE LAST 8 INSTALLMENTS WITH INTEREST AT AN ANNUAL RATE OF 6 PERCENT ON OUTSTANDING BALANCES. REPAYMENT OF ALL LOANS IS TO BE GUARANTEED BY CORPORACION VENEZOLANA DE FOMENTO.

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